Evaluation of fixed assets of PSUs

2381. SHRI SANTOSH BAGRODIA:
SHRI GHULAM NABI AZAD:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have any plan to evaluate all fixed assets of all PSUs to determine their values;

(b) if so, whether evaluation is done on a yearly basis;

(c) if not, the reasons therefor; and

(d) whether evaluation is based on movable and/or non-movable items?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Government has no proposal to evaluate the fixed assets of all PSUs on an annual basis, since this is not a usual practice in the PSUs.

(c) and (d) Valuation of PSUs being disinvested is done before calling the financial bids. Valuation of assets is one of the four valuation methods used in the disinvestment of PSUs and is useful in the case of liquidation of a company. Discounted Cash Flow Method, Balance Sheet Method, Transaction Multiple Method are the three other valuation methods which are more appropriate for valuation of a going concern. These valuation methods are internationally recognised.

Disinvestment of Modern Food Industries

2382. SHRI RAMACHANDRA KHUNTIA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Modern Food Industires, which was disinvested with the expectation of turn around has instead turned sick in the hands of the private management and is being referred to BIFR for liquidation/winding up formalities;

(b) if so, what have been the reasons adduced by the private management for their volte face and whether Government are satisfied by the reasoning; and

(c) the land and property owned by M/s Modern Food Industries at the time of its transfer to the private hands?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Modern Food Industries (India) Limited (MFIL) was disinvested on 31.1.2000 with the transfer of 74% Government equity in favour of M/s Hindustan Lever Limited (HLL). Since the accumulated loss of MFIL at the end of the financial year 1999-2000 resulted in the erosion of more than 50% of its net worth during the immediately preceding 4 financial years, when the company was under Government control, MFIL, had filed a report with the Board for Industrial and Financial Reconstruction (BIFR) in accordance with Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 for declaring the company a sick industrial company and to determine measures for rehabilitation of the company under the Act. The BIFR directed the company to submit a rehabilitation package for revival of MFIL. In the revival plan submitted to BIFR, HLL did not ask for any relief and concession for revivial of MFIL and instead, indicated that with the management and funding of HLL, MFIL would start generating profits from the year ending December 2004 and the net worth of the company would become positive in the year ending December 2007. The BIFR, *vide* its order dated 5.3.2002, accepted the revival plan and took on record the Plan of Action submitted by the company for implementation by all concerned.

(c) Details of the land and property owned by MFIL at the time of its disinvestment are at Statement.

Statement

Land and Property owned by Modern Food Industries (India) Limited at the time of disinvestment on 31.1.2000

S.No.	Property/location	Leasehold/Freehold
	Bakery Units:	
1	Ahmedabad	Leasehold
2	Bangalore	Freehold
3	Kolkata	Leasehold
4	Chandigarh	Freehold
5	Chennai	-do-
6	Cochin	-do-

S.No.	Property/location	Leasehold/Freehold
7	Delhi-I	Leasehold
8	Delhi-II	-do-
9	Hyderabad	Freehold
10	Indiore	Leasehold
11	Jaipur	-do-
12	Kanpur	-do-
13	Mumbai	-do-
14	Ranchi	-do-
	Supplementary Nutritional Food (SNF) and other units	
15	Bhagalpur-SNF Unit	Leasehold
16	Delhi (Fruit Juice Bottling Plant)-SNF Unit	-do-
17	Faridabad (Bottling plant)-SNF Unit	Freehold
18	Faridabad (Roller Flour Mill)-SNF Unit	-do-
19	Patna-SNF Unit	Leasehold
20	Silchar (Incomplete project)	-do-
21	Ujjain (Oil mill) (closed)	Freehold
	Residential Flats	
22	Bangalore (8 flats)	Leasehold
23	Kolkata (5 flats)	Freehold
24	Chennai (5 flats)	Freehold
25	New Delhi (2 flats)	Leasehold
26	Mumbai (6 flats)	Freehold
27	Faridabad (32 flats)	Freehold
28	Ujjain (64 flats)	Freehold

Disinvestment in Bihar

†2383. SHRI VIJAY SINGH YADAV: Will the Minister of DISINVESTMENT be pleased to state:

(a) the sectors in Bihar whose disinvestment is under Government's consideration; and

†Original notice of the question was received in Hindi.